



May 31, 2006

VIA EMAIL: secretary@cftc.gov

Ms. Eileen A. Donovan, Acting Secretary
Secretary of the Commission
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Rule Certification: HedgeStreet® Amends Chapter 12, Section (f);
Discretionary Rule as it Relates to the Payout Criteria for Various Hedgelet
Contracts**

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OFC. OF THE SECRETARIAT

Dear Secretary Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.6 of the regulations promulgated by the Commodity Futures Trading Commission (the "Commission") under the Act, HedgeStreet, Inc. ("HedgeStreet") hereby notifies the Commission of its intent to amend Section(f) for various Hedgelet Contracts referenced under Chapter 12 of the HedgeStreet Rulebook. These amendments are designed to more accurately define the manner in which discretionary payout criteria will be listed for those Hedgelet Contracts which are currently trading, and/or any Hedgelet Contracts that may trade in the future.

The amendments are defined in Exhibit A in accordance with Commission Regulation §40.6. The rule deletions are stricken out and the amendments or additions are underlined. HedgeStreet intends to issue these Rule changes on Thursday, June 1, 2006.

No substantive opposing views were expressed to HedgeStreet with respect to these amendments.

Should you have any questions regarding the above, please do not hesitate to contact Stephanie Ford by telephone at (650) 638-3511 or by email at sford@hedgestreet.com.

Sincerely,

Stephanie Ford
Vice President, Legal & Compliance

cc: Clarissa Manansala – HedgeStreet, Inc.



EXHIBIT A

Amendments to Rules 12.58(f), 12.59(f), 12.60(f), 12.61(f), 12.62(f), 12.63(f), 12.64(f), 12.71(f), 12.72(f), 12.73(f), 12.74(f), 12.75(f), 12.76(f), 12.77(f), 12.78(f)
(The following Rule additions are underlined and deletions are stricken out)

RULE 12.58 CONSUMER PRICE INDEX BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) **PAYOUT CRITERION** – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the Consumer Price Index Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional Consumer Price Index Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g)– (o) [unchanged]

RULE 12.59 CRUDE OIL BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) **PAYOUT CRITERION** – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the Crude Oil Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional Crude Oil Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.60 CURRENCY EXCHANGE EUR/USD BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]



(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the EUR/USD Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional EUR/USD Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.61 CURRENCY EXCHANGE GBP/USD BINARY HEDGELET CONTRACTS

(a) - (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the GBP/USD Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional GBP/USD Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.62 CURRENCY EXCHANGE USD/YEN BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the USD/Yen Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]



(ii) HedgeStreet may list additional USD/YEN Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.63 CURRENCY EXCHANGE USD/CHF BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the USD/CHF Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional USD/CHF Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.64 FEDERAL FUNDS BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the Federal Funds Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional Federal Funds Rate Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.65 – RULE 12.70 [unchanged]



RULE 12.71 NAR CHICAGO BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the NAR Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional NAR Chicago Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.72 NAR LOS ANGELES BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the NAR Los Angeles Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional NAR Los Angeles Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.73 NAR MIAMI BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the NAR Miami Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]



(ii) HedgeStreet may list additional NAR Miami Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.74 NAR NEW YORK BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the NAR New York Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional NAR New York Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.75 NAR SAN DIEGO BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the NAR San Diego Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional NAR San Diego Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]



RULE 12.76 NAR SAN FRANCISCO BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the NAR San Francisco Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional NAR San Francisco Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.77 COPPER BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the Copper Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) HedgeStreet may list additional Copper Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.78 CURRENCY EXCHANGE USD/CAD BINARY HEDGELET CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the USD/CAD Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:



(i) [unchanged]

(ii) HedgeStreet may list additional USD/CAD Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) – (o) [unchanged]

RULE 12.79 [unchanged]

[End Rulebook]

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